

CHAPTER 1:

Agency Overview

The Nebraska Department of Environmental Quality (NDEQ) was created with passage of the Nebraska Environmental Protection Act in 1971. The Department has grown and been given additional responsibilities over the years, but its mission has remained the same — the protection of Nebraska's air, land and water resources. Presently, the Agency is authorized for a staffing level of 217.50 full-time employees.

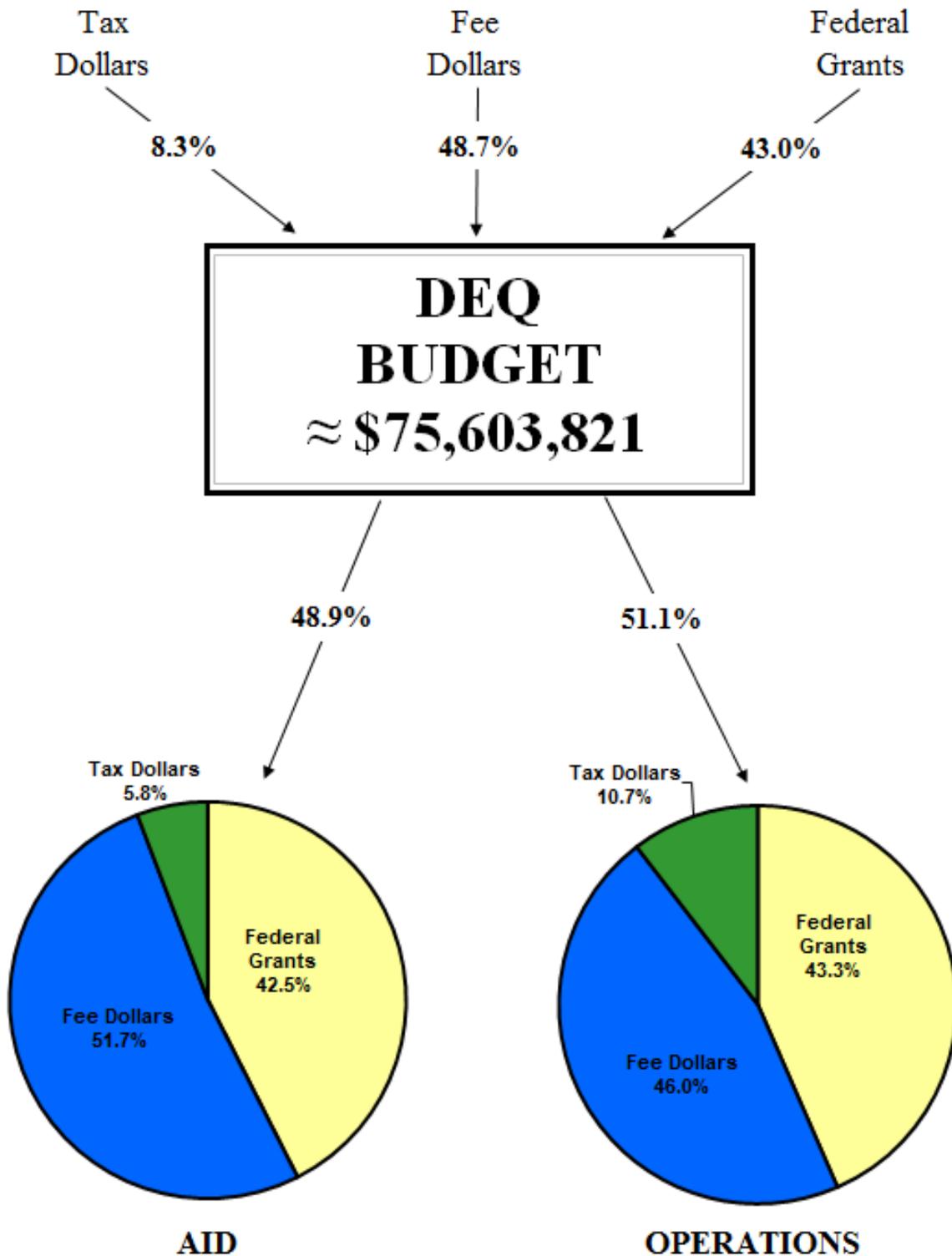
The NDEQ has an FY17 annual budget of approximately \$75.6 million. This includes money from federal grants, state taxes and fees. Of that amount, \$36.9 million is redistributed to other agencies, organizations and individuals in the form of aid (grants and loans).

The table below shows a breakdown of NDEQ funds. The columns listed as aid represent the agency's budget redistributed to other entities as grants and loans. The columns listed as operations represent amounts used for agency operation and contracts for such things as investigations and cleanups.

Funding Type	Operations: \$ Amount	Percent of Operations Budget	Aid: \$ Amount	Percent of Aid Budget
Federal Funds (Grants)	\$16.8 million	43.3%	\$15.7 million	42.5%
State General Funds (Tax \$)	\$4.1 million	10.7%	\$2.1 million	5.8%
Cash Funds (Fees)	\$17.8 million	46.0%	\$19.1 million	51.7%
Total	\$38.7 million		\$36.9 million	

The following graphic depicts NDEQ's FY17 budget by funding source and percent anticipated to be expended by fund type and activity (aid or operations).

FY 2017 Budget



FTE = 217.5

Significant Topics in 2017

The following are some of the significant topics, challenges and accomplishments that NDEQ addressed in 2017:

Co-location of HHS Drinking Water program. On July 6, 2017, NDEQ and the Nebraska Department of Health and Human Services (DHHS) announced a Memorandum of Agreement to improve coordination of Safe Drinking Water Act and Clean Water Act programs. Through the agreement, 25 DHHS staff have moved to shared office space with NDEQ wastewater staff, and eight DHHS field staff will begin working with NDEQ field staff.

The goal is to have the two programs integrate into a team to better serve the communities and citizens of the state.

The Drinking Water staff moved into NDEQ's Lincoln office space at the Atrium in the first week of August. They are now located by NDEQ's Wastewater staff, to promote interaction and integration between the programs.

The focus of this re-location of the Drinking Water staff is to enhance communication and integrate the state's services to communities. Locating staff together will better serve Nebraska communities in addressing their water infrastructure needs by enhancing state agency coordination. The agencies intend to cross-train staff to ensure complete and timely review of applications and coordinated site assistance.

The new Drinking Water Division is composed of Engineering, Field Services and Monitoring and Compliance sections. Engineering is primarily responsible for review and approval of Plans and Specifications dealing with water sources and treatment, Field Services is primarily responsible for water system inspections and are our "hands on" people when technical services are needed, Monitoring and Compliance is primarily responsible for assuring water quality samples are collected when required and interpreting water quality data to assure water standards are met. The total number of Public Drinking Water Systems is 1338. The breakdown of system classification: 602 Community Water Systems (residential), 143 Non-Transient Non-Community Water Systems (Businesses, rural schools, etc.), and 593 Transient Non-Community Water Systems (rest stops, service stations along the interstate, etc.).

Both agencies' field offices will remain at their current locations, but under the agreement, both agencies' field office staff who are involved with wastewater and drinking water programs will be cross-trained to coordinate their programs.

This agreement does not affect DHHS staff responsible for well water contractors, construction standards, and programs such as home loan inspections, as these are separate and distinct activities.

Process Improvement. In the spring of 2016, the State of Nebraska embarked on a major initiative to improve state operational processes through the creation of the Center for Operational Excellence (COE). The COE serves as the training center for continuous process improvement across all state agencies. It currently certifies White, Yellow, and Green Belts in Lean Six Sigma to those looking to engage in process improvement. Its goal is to help agencies simplify processes, resulting in a more effective, efficient, and customer-focused government.

NDEQ has been very involved in the process improvement efforts, and hired an agency Process Improvement Coordinator in late April to help guide staff to make changes that will improve the effectiveness of our operations, create savings, and improve service to our customers.

The entire agency has taken the Lean Six Sigma White Belt training, which provides everyone with a glimpse into the strategies to be utilized moving forward. As of Nov. 20, a total of 108 DEQ employees (including all Supervisors) have completed yellow belt training. This training includes several new tools, such as Quality-Delivery-Inventory-Production boards (QDIP) and swim-lane boards, that are designed to help teams track and measure their work efforts and begin the journey of continuous incremental improvement. An important component of process improvement is the concept that everyone should contribute toward improving quality.



As part of the process improvement process, many program staff meet for brief "daily huddles," to review progress and assess goals.

In 2017, the agency established SMART (Specific, Measureable, Actionable, Relevant, and Timely) goals for all staff. The rationale ensure consistent goals are being pursued throughout the agency. SMART Goals will also be included in next year's performance evaluations.

Construction storm water permitting and other online application efforts. NDEQ has moved to an online process for applicants across the state to submit construction storm water applications. This new application process involves those who are planning construction projects of an acre or larger. The online process prevents the need for NDEQ staff to re-input information submitted by the applicant, and reduces lag time of paperwork being sent back and forth. Previously, it could take several weeks for an applicant to receive coverage. Through the new process, the timeframe has been reduced to about one day for most applications. From October 2016 through October 2017, over 1,700 construction storm water general permits have been processed online.

Many other grant application and permit application processes have moved to an online process in the past two years. These include several air construction general permits, as well as the application process for waste and water grants. Wastewater plant operators are now able to submit Discharge Monitoring Reports online, the public is able to search public records online, and for some projects, NDEQ has established an online system to submit and review public comments.

Many additional projects will move to online processing in 2018, including some aspects of ag permit applications, onsite (septic and private lagoon) applications, and petroleum remediation reimbursement applications.

Continuing Emission Monitors – NDEQ announced a new voluntary initiative for ethanol plants which is designed to promote improved compliance and greater efficiency through the installation of

continuous monitoring systems (CEMS). NDEQ observed that the biological aspect of ethanol processes can cause greater variability in readings taken from “stack testing,” which is one method that the ethanol industry can use to determine whether they are considered a major emitter of air pollutants.

However, a more reliable and consistent monitoring approach is to instead install continuous monitoring emission systems at ethanol facilities’ fermentation scrubbers. These monitors provide detailed long-term data regarding the types of emissions that are coming from the facilities. In addition, they serve as an effective management tool for the industry.

Several Nebraska ethanol facilities have already installed CEMS and have informed NDEQ that they have experienced benefits beyond regulatory compliance. Some indicate they are better able to manage their water and chemical use and can identify potential scrubber performance issues. The agency has been sharing this information with all of the ethanol industry due to the favorable results that are being reported by those who have already installed CEMS.

2017 Legislative Summary

The Nebraska Legislature enacted one legislative bill in 2017 that had direct impacts on NDEQ:

LB 182 – This legislation amended provisions of the Drinking Water State Revolving Fund Act that authorizes the Department of Environmental Quality to provide financial assistance to political subdivisions that operate public water systems for safe drinking water projects. The changes adopted clarify the Program’s original intent that loans, grants and loan forgiveness be available to public water systems that serve populations of ten thousand or less, and are operated by a political subdivision.